

Latest Trends in Nonfarm Jobs and Earnings

With the release of 1997 data by the Bureau of Economic Analysis (BEA), we can update the analysis of nonfarm jobs and earnings that was published in Vol. 9, No. 3 of *RCaT*. When BEA releases a new year of data, it also revises the previous 2 years' estimates. The data shown here do not match data for the same years published in earlier issues of *RCaT* because of the BEA revisions and because ERS has converted earlier years' earnings to 1997 dollars.

Jobs

Nonfarm jobs increased by 2.0 percent during 1996-97, slightly slower than the 2.3 percent job growth in metro areas (app. table 1). That nonmetro rate of job growth is slower than the 2.5 percent annual growth nonmetro areas averaged during 1991-97. During 1996-97, the agricultural services, construction, transportation and public utilities, retail trade, finance, insurance and real estate, and services industries added jobs at a faster than average rate in both nonmetro and metro areas. Federal Government employment declined. Retail trade; agricultural services; and finance, insurance, and real estate added jobs at slightly faster rates in nonmetro than in metro areas. Both metro and nonmetro job growth was fastest in the Rocky Mountain and Southwest regions. Nonmetro job growth was between 1.7 and 2.2 percent in other regions. Metro job growth rates exceeded nonmetro growth rates in each region.

Earnings per Nonfarm Job

Real earnings per nonfarm job increased during 1996-97, by 1.3 percent in nonmetro areas and 2.1 percent in metro areas (app. table 2). Both of these increases exceeded average earnings growth over the 1991-97 period. Nonmetro earnings grew in all sectors except construction and transportation and public utilities. The fastest earnings growth in nonmetro areas was in manufacturing and wholesale trade. In metro areas, jobs in mining; wholesale trade; finance, insurance, and real estate; and manufacturing had the fastest earnings growth.

Real nonfarm earnings per job increased in all regions. Metro earnings growth exceeded nonmetro earnings growth in all regions. Among nonmetro regions, earnings growth was highest in the New England, Great Lakes, Plains, and Southeast regions, at 1.5 percent. Among metro regions, earnings growth was highest in the New England, Southwest, and Far West regions.

Trends in Earnings per Nonfarm Job, 1969-97

Average nonmetro earnings per job were \$9,813 less than average metro earnings in 1997. Even after adjusting for inflation, this is the largest gap measured since the data series began in 1969. The gap between metro and nonmetro earnings per job has widened in most years since 1979 (app. table 3). In 1997, average nonmetro earnings were 70.1 percent of metro earnings, down from 70.7 percent in 1996. The nonmetro-metro earnings ratio peaked at 81 percent in 1979. [*Fred Gale, 202-694-5349, fgale@ers.usda.gov*]

Appendix table 1—Nonfarm jobs, by industry and BEA region, 1997

	Nonmetro	Metro	Change from previous year, 1996-97		Annual average change, 1991-97	
			Nonmetro	Metro	Nonmetro	Metro
	Thousands		Percent		Percent	
Total nonfarm jobs	25,875	127,581	2.0	2.3	2.5	2.1
By industry:						
Agricultural services, forestry, fisheries, and other ¹	508	1,465	4.8	4.3	4.9	5.2
Mining	344	489	.2	1.7	-3.0	-3.2
Construction	1,552	6,813	2.7	4.4	4.6	3.6
Manufacturing	4,433	14,983	.6	1.3	1.3	.1
Transportation and public utilities	1,153	6,398	3.0	3.4	2.6	2.4
Wholesale trade	867	6,311	1.9	2.5	1.5	1.4
Retail trade	4,804	21,552	2.1	1.9	3.3	2.5
Finance, insurance, and real estate	1,315	10,463	3.8	3.7	3.3	1.8
Services	6,526	41,702	2.9	3.6	3.6	3.6
Government and government enterprises	4,373	17,407	.9	.5	1.0	.3
Federal civilian	363	2,451	-.6	-2.3	-1.1	-1.7
Federal military	380	1,785	-1.5	-2.6	-3.1	-3.2
State and local	3,631	13,170	1.3	1.5	1.9	1.3
State	990	3,786	.3	.5	1.5	1.1
Local	2,642	9,383	1.7	1.9	2.0	1.4
By BEA region:						
New England	1,160	7,175	1.8	2.4	1.9	1.7
Mideast	1,808	23,198	1.8	1.9	1.2	.9
Great Lakes	4,407	21,002	1.7	1.9	2.5	2.0
Plains	4,014	7,567	2.0	2.5	2.5	2.5
Southeast	8,576	27,852	1.8	2.8	2.4	3.0
Southwest	2,423	13,747	2.7	3.9	2.5	3.5
Rocky Mountain	1,545	3,823	2.9	3.7	4.5	4.4
Far West	1,942	23,218	2.2	2.9	2.6	1.6

¹Other are employees of foreign embassies working in the United States.

²Government enterprises are government agencies that cover a substantial portion of their operating costs by selling goods and services to the public and that maintain their own separate accounts—for example, the Postal Service.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

Appendix C: Latest Trends in Nonfarm Jobs and Earnings

Appendix table 2—Earnings per nonfarm job, by industry and BEA region, 1997

Industry and region	Nonmetro	Metro	Change from previous year, 1996-97		Annual average change, 1991-97	
			Nonmetro	Metro	Nonmetro	Metro
			Dollars		Percent	
Earnings per nonfarm job	22,986	32,799	1.3	2.1	0.5	1.1
By industry:						
Agricultural services, forestry, fisheries, other ¹	12,265	16,390	0.1	1.6	-3.4	-1.6
Mining	41,544	57,986	1.8	6.6	1.6	5.2
Construction	25,502	34,536	0.0	1.2	0.4	0.3
Manufacturing	32,207	47,607	2.7	2.9	1.2	1.6
Transportation and public utilities	33,999	45,544	-.4	1.5	-.2	1.0
Wholesale trade	28,862	44,458	2.8	3.2	1.4	1.6
Retail trade	13,764	17,311	1.4	1.8	-.1	.3
Finance, insurance, and real estate	17,030	37,180	.1	3.0	2.2	5.1
Services	18,958	29,974	1.7	2.2	1.1	1.0
Government and government enterprises	26,397	34,445	1.0	1.1	.8	.9
Federal civilian	41,309	48,664	1.5	2.0	1.9	2.0
Federal military	17,288	22,990	.9	1.0	.7	1.1
State and local	25,860	33,351	1.0	1.0	.6	.6
State	28,853	33,527	.8	1.3	.2	.4
Local	24,739	33,280	1.1	.9	.7	.7
By BEA region:						
New England	24,489	35,551	1.5	2.7	.2	1.2
Mideast	24,471	37,706	.8	1.7	.2	1.3
Great Lakes	23,934	32,809	1.5	2.2	.8	1.3
Plains	21,326	30,533	1.5	2.2	.8	1.3
Southeast	22,981	29,103	1.5	1.9	.7	1.1
Southwest	21,684	31,482	1.0	2.7	.2	1.5
Rocky Mountain	21,890	29,074	1.1	2.3	.3	1.5
Far West	24,502	33,602	.4	2.6	-.2	.9

Note: Change from previous years is in real 1997 dollars. Previous years' earnings were converted to 1997 dollars using chain-type personal consumption expenditures price index.

¹Other are employees of foreign embassies working in the United States.

²Government enterprises are government agencies that cover a substantial portion of their operating costs by selling goods and services to the public and that maintain their own separate accounts—for example, the Postal Service.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

Appendix table 3—Real earnings per nonfarm job, 1969-97

	United States	Nonmetro	Metro	Metro-nonmetro earnings gap ¹	Earnings ratio ²	Change from previous year	
						Nonmetro	Metro
	1997 dollars				Percent		
1969	27,416	21,837	28,590	6,753	76.4	NA	NA
1970	27,756	22,147	28,937	6,790	76.5	1.4	1.2
1971	28,238	22,597	29,441	6,843	76.8	2.0	1.7
1972	29,106	23,324	30,348	7,023	76.9	3.2	3.1
1973	29,277	23,680	30,473	6,793	77.7	1.5	0.4
1974	28,529	23,332	29,640	6,308	78.7	-1.5	-2.7
1975	28,449	23,543	29,503	5,960	79.8	.9	-.5
1976	29,296	24,512	30,340	5,828	80.8	4.1	2.8
1977	29,529	24,552	30,613	6,061	80.2	.2	.9
1978	29,764	24,877	30,821	5,944	80.7	1.3	.7
1979	29,516	24,731	30,541	5,810	81.0	-.6	-.9
1980	28,832	24,025	29,849	5,824	80.5	-2.9	-2.3
1981	28,595	23,682	29,628	5,946	79.9	-1.4	-.7
1982	28,488	23,309	29,571	6,262	78.8	-1.6	-.2
1983	28,744	23,393	29,855	6,462	78.4	.4	1.0
1984	29,301	23,854	30,418	6,564	78.4	2.0	1.9
1985	29,528	23,798	30,680	6,882	77.6	-.2	.9
1986	29,776	23,695	30,980	7,285	76.5	-.4	1.0
1987	29,998	23,409	31,299	7,889	74.8	-1.2	1.0
1988	30,183	23,366	31,518	8,152	74.1	-.2	.7
1989	29,875	23,066	31,210	8,144	73.9	-1.3	-1.0
1990	29,814	22,737	31,209	8,472	72.9	-1.4	0
1991	29,529	22,476	30,934	8,458	72.7	-1.1	-.9
1992	30,341	22,862	31,849	8,987	71.8	1.7	3.0
1993	30,338	22,925	31,842	8,918	72.0	.3	0
1994	30,255	22,907	31,761	8,855	72.1	-.1	-.3
1995	30,359	22,741	31,921	9,180	71.2	-.7	.5
1996	30,521	22,701	32,117	9,416	70.7	-.2	.6
1997	31,144	22,986	32,799	9,813	70.1	1.3	2.1

Note: Earnings were converted to 1997 dollars using chain-type personal consumption expenditures price index.

NA = Data for years prior to 1969 were not available to compute change.

¹Earnings gap is the difference between metro and nonmetro earnings in 1997 dollars.

²Earnings ratio is nonmetro earnings as a percentage of metro earnings.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.